# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:4470
ANSWERED ON:12.08.2016
Recapitalisation of Banks
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**Will the Minister of FINANCE be pleased to state:**

(a) whether the ability of Public Sector Banks (PSBs) to attract external capital is limited since listed PSBs are trading at significant discount to their book value owing to financial pressures;

(b) if so, the details thereof;

(c) whether the Government is keen to start recapitalisation of PSBs; and

(d) if so, the details thereof, bank-wise and the steps taken by the Government in this regard?

## Answer

The Minister of State in the Ministry of Finance

(a) & (b): Government has allowed Public Sector Banks to raise capital from Public markets through Follow-on Public Offer (FPO) or Qualified Institutional Placement (QIP) by diluting Government of India holding upto 52% in phased manner based on their capital requirement, their stock performance, liquidity, market conditions etc.

(c) & (d): Under 'Indradhanush' scheme Government of India (GoI) has infused Rs. 25,000 crore of capital in Public Sector Banks (PSBs) in 2015-16. GoI has been allocated Rs. 22,915 crore for the capitalization needs of PSBs on July 19, 2016. The bank-wise details are as under:

Rs. In Crore.

| S.No. | Name of the PSBs | Total allocation |
|---|---|---|
| 1 | Allahabad Bank | 44 |
| 2 | Bank of India | 1784 |
| 3 | Canara Bank | 997 |
| 4 | Central Bank of India | 1729 |
| 5 | Corporation Bank. | 677 |
| 6 | Dena Bank | 594 |
| 7 | Indian Overseas Bank | 3101 |
| 8 | Punjab National Bank | 2816 |
| 9 | Syndicate Bank | 1034 |
| 10 | UCO Bank | 1033 |
| 11 | Union Bank of India | 721 |
| 12 | United Bank of India | 810 |
| 13 | State Bank of India | 7575 |
| Total | | 22915 |

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